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Circular to all Banks and Other Financial Institutions

CENTRAL BANK OF NIGERIA CUSTOMER DUE DILIGENCE REGULATIONS 2023

Pursuant to the provisions of the Money Laundering (Prevention and Prohibition) Act 2022 and the Central Bank of Nigeria (CBN) AML/CFT/CPF Regulations, 2022, the **CBN Customer Due Diligence Regulations, 2023** is hereby issued to assist financial institutions with implementation and compliance with provisions of relevant laws and regulations relating to customer due diligence.

Consequently, all banks and other financial institutions are directed to note for immediate compliance.


CHIBUZO A. EFOFI
DIRECTOR, FINANCIAL POLICY AND REGULATION DEPARTMENT

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**BANKS AND OTHER FINANCIAL INSTITUTIONS
ACT NO. 5, 2020**
CENTRAL BANK OF NIGERIA (CUSTOMER DUE DILIGENCE)
REGULATIONS, 2023



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**BANKS AND OTHER FINANCIAL INSTITUTIONS
ACT NO. 5, 2020**

**CENTRAL BANK OF NIGERIA (CUSTOMER DUE DILIGENCE)
REGULATIONS, 2023**

[31st Day of May, 2023]

Commence-
ment

In exercise of the powers conferred on me by Section 66 of the Banks and Other Financial Institutions Act, 2020 and all other powers enabling me in that behalf, I, GODWIN I. EMEFIELE, the Governor of the Central Bank of Nigeria make the following Regulations —

PART I — OBJECTIVES AND APPLICATION

1. The objectives of these Regulations are to —

Objectives

(a) provide additional customer due diligence measures for financial institutions under the regulatory purview of the Central Bank of Nigeria to further their compliance with relevant provisions of the Money Laundering (Prevention and Prohibition) Act (MLPPA), 2022, Terrorism (Prevention and Prohibition) Act (TPPA), 2022, Central Bank of Nigeria (Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing of Weapons of Mass Destruction in Financial Institutions) Regulations, 2022 (CBN AML, CFT and CPF Regulations) and international best practices ; and

(b) enable the CBN enforce compliance with customer due diligence measures in line with the CBN AML, CFT and CPF Regulations.

2. These Regulations —

Scope

(a) complement the relevant provisions of the CBN AML, CFT and CPF Regulations on customer due diligence measures and additional customer due diligence measures for specific customers and activities ; and

(b) shall be read in conjunction with the CBN AML, CFT and CPF Regulations.

3. These Regulations shall apply to all Financial Institutions (FIs) under the regulatory purview of the Central Bank of Nigeria.

Application

PART II — CUSTOMER DUE DILIGENCE

4. FIs shall not establish or keep anonymous accounts, numbered accounts or accounts in fictitious names.

Prohibition
of opening
anonymous
accounts

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Customer
Due
Diligence
measures

5.—(1) FIs shall undertake CDD measures when—

- (a) establishing business relationships ;
- (b) carrying out occasional transactions above the applicable and designated threshold of US\$1,000 or its equivalent in other currencies or as may be determined by the CBN from time to time, including where the transaction is carried out in a single or several transactions or operations that appear to be linked ;
- (c) carrying out occasional transactions that are wire transfers, including cross-border and domestic transfers between FIs and when credit or debit cards are used as a payment method to effect money transfer ;
- (d) there are doubts as to the veracity or adequacy of previously obtained customer identification data ; or
- (e) there is a suspicion of ML, TF and PF regardless of any exemptions or any other thresholds referred to in these Regulations or the CBN AML, CFT and CPF Regulations.

(2) FIs shall establish internal processes and procedures for conducting CDD measures for all potential and existing customers, including occasional customers.

(3) CDD measures shall include —

- (a) customer identification and verification of identity ;
- (b) identification and verification of identity of beneficial owners (BOs) ;
- (c) understanding nature and purpose of business ;
- (d) understanding the sources of funds ; and
- (e) conducting ongoing due diligence on the business relationship and monitoring for suspicious activities.

Customer
identification

6. FIs shall identify their customer (whether permanent or occasional, and whether natural or legal persons or legal arrangements) and obtain the following information —

(a) for Individuals —

- (i) legal name and any other names used (such as maiden name),
- (ii) permanent address (full physical address),
- (iii) residential address (where the customer can be located),
- (iv) telephone number, e-mail address and social media handle,
- (v) date and place of birth,
- (vi) Bank Verification Number (BVN),
- (vii) Tax Identification Number (TIN),
- (viii) nationality,
- (ix) occupation, public position held and name of employer,

(x) an official personal identification number or other unique identifier contained in an unexpired document issued by a government agency, that bears a name, photograph and signature of the customer such as a passport, national identification card, residence permit, social security records or drivers' license,

(xi) type of account and nature of the banking relationship, and

(xii) signature, and

(xiii) politically exposed persons (PEPs) status ;

(b) for legal persons and legal arrangements —

(i) name of institution,

(ii) mailing address,

(iii) e-mail and social media address,

(iv) phone numbers,

(v) registration number,

(vi) registered address,

(vii) business address,

(viii) valid identification, such as tax identification number,

(ix) nature and purpose of business or activities,

(x) certified true copy of documentary evidence confirming legal existence such as certificate of incorporation,

(xi) certified true copy of memorandum and articles of association or other similar documents,

(xii) certified true copy of the list of directors and shareholders or similar documents,

(xiii) board resolution to open the account,

(xiv) identification of those who have authority to operate the account,

(xv) legal documents indicating persons exercising control or significant influence over the legal persons and legal arrangement's assets,

(xvi) valid means of identification of persons mentioned in subparagraph (xv) of this paragraph,

(xvii) names and identification documents of the relevant persons having a senior management position in the legal persons and legal arrangements, and

(xviii) the original documents referred to in subparagraphs (x) to (xiv) of this paragraph, shall be sighted and documented.

7.—(1) FIs shall verify the identity of customers and BOs using reliable, independent source documents, data or information (identification data).

Verification
of customer
identity

(2) FIs shall verify the identity of individuals by confirming the —

(a) date of birth from a valid official document, such as birth certificate, passport, identity card and national or social security records ;

(b) residential address through physical visitation and use of other sources, including utility bill, tax assessment, bank statement, or letter from a public authority ;

(c) contact details provided by the customer through positive feedback from phone call, email or physical letter to the residential address ;

(d) validity of the official documentation provided through certification by an authorized person such as embassy official, notary public (in the case of foreign nationals) ; and

(e) phone numbers, particularly for wallet providers, through independent process, including validation against the NCC database or geo-mapping.

(3) FIs shall verify the identity of a legal person or legal arrangement by —

(a) undertaking search on public registry or database such as CAC or similar database, other commercial enquiries and through any other available sources of information to confirm —

(i) the existence of the legal person or legal arrangement,

(ii) whether the legal person or legal arrangement has not been, or is not in the process of being dissolved, struck off, wound up or terminated,

(iii) the information on the directors and shareholders or persons or entities holding similar positions, including their PEP status,

(iv) information on person with significant control, and

(v) information on BO, and its PEP status ;

(b) reviewing a copy of the latest annual report, audited accounts or relevant financial statement, where applicable ;

(c) reviewing a copy of the board resolution or applicable resolution ;

(d) utilizing the documentation from a reliable independent source proving the name, form and current existence of the customer ;

(e) utilizing an independent information verification process, such as accessing public and private databases ;

(f) obtaining prior bank references, where applicable ;

(g) visiting the entity ; and

(h) confirming the contact details provided through phone call, email and physical letter to the business address.

Identification and verification of signatories, directors, and beneficial owners of legal persons and legal arrangements

8. When conducting CDD measures in relation to customers that are legal persons or legal arrangements, FIs shall —

(a) understand the ownership and control structure ;

(b) at the time of establishing new relationships or whenever there is a change in ownership, identify and verify the identity of the BOs who exercise control through ownership or controlling interest, including voting rights ;

(c) subject all account signatories, Directors and BOs to the requirements for identification and verification of individuals provided in regulations 6 and 7 of these Regulations ;

(d) conduct status enquiry from CRMS and at least two Credit Bureaux to determine their credit status ;

(e) ascertain that the customer is not banned from the use of clearing system due to issuance of dud cheque ; and

(f) maintain a BO register that indicates the names, identification details and nature of beneficial ownership, including shareholding, voting rights, controlling interests, source of wealth, and PEP status.

9.—(1) FIs shall verify —

Authority of third party

(a) that any person purporting to act on behalf of a customer is so authorized ; and

(b) the identity of the person purporting to act on behalf of a customer.

(2) The verification referred to in subregulation (1) of this regulation shall be done through confirmation from the customer the third party is purporting to represent and from other independent sources.

10.—(1) FIs shall understand and obtain sufficient information on the nature and purpose of the business that its customer intends to undertake, including expected or predictable patterns of transactions.

Nature and purpose of business

(2) FIs shall be at alert to circumstances that may indicate any significant changes in the nature of a business or its ownership.

11.—(1) FIs shall understand and obtain sufficient information on the source of funds into the customer’s account.

Understanding sources of funds

(2) The information to be obtained before the commencement of the relationship shall include—

(a) details of occupation, employment or business activities and sources of wealth and income ; and

(b) expected origin of the funds to be used in the operation of the account during the relationship.

12.—(1) FIs shall conduct ongoing due diligence on a business relationship and scrutinize transactions undertaken throughout the course of the relationship to ensure that the transactions being conducted are consistent with the —

Ongoing Due Diligence

(a) FI’s knowledge of the customer ;

(b) customer’s business and risk profile ; and

(c) source of funds.

(2) FIs shall take reasonable steps to keep the information up-to-date, and as the need arises, including where an existing customer opens a new account.

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Application of CDD to existing customers

13.—(1) FIs shall apply CDD requirements to existing customers on the basis of materiality and risk and continue to conduct due diligence on such existing relationship at appropriate times.

(2) The appropriate time to conduct CDD for existing customers include, but not limited to when —

- (a) transaction of significant value or an unusual transaction occurs ;
- (b) there is significant change in the customer’s profile ;
- (c) there is a material change in the way that the account is operated ; or
- (d) the FIs become aware that it lacks sufficient information about an existing customer.

Electronic KYC

14. FIs shall adhere to e-KYC requirements as stipulated in the CBN Guidelines on e-KYC and the CDD measures stipulated in these Regulations (where applicable) as it relates to digital products, and customer onboarding.

Risk-based approach to CDD

15.—(1) FIs shall conduct initial risk assessment for each prospective customer to ascertain the customer’s risk profile.

(2) The application of CDD measures may be standard, simplified or enhanced depending on the risks posed by each customer, transaction, products or service resulting from a customer risk assessment.

(3) For low risks customers —

(a) FIs may adopt simplified CDD measures only where lower risks have been identified through an adequate assessment and analysis of the risks, and the simplified CDD measures shall be forwarded to the CBN for approval before implementation by the FI ;

(b) notwithstanding the application of simplified CDD on customer identification and verification, the customer is not exempt from ongoing monitoring for other CDD measures ;

(c) the simplified measures shall be commensurate with the lower risk factors but are not acceptable whenever there is suspicion of ML, TF or PF, or where specific higher risk scenarios apply.

(4) For high risks customers —

(a) arising from an initial assessment of a customer, particular attention shall be focused on those customers identified as having a higher risk profile ;

(b) customers with higher risk profile include, but not limited to, non-resident customers, MVTs providers, private banking customers, non-face-to-face customers, and PEPs ;

(c) FIs shall apply enhanced CDD measures to business relationships and transactions with natural and legal persons, and FIs, from countries for which this is called for by the FATF ; and

(d) FIs shall conduct enhanced CDD.

- 16.**—(1) FIs shall comply with Tiered KYC measures as stipulated in the CBN circulars on TKYC and the CBN AML, CFT and CPF Regulations. Tiered Know-Your-Customer
- (2) Tiered KYC shall apply to individuals only and shall not apply to legal persons and legal arrangements.
- 17.**—(1) FIs shall perform enhanced CDD for customers, business relationship or transactions with higher ML, TF, and PF risks. Enhanced CDD
- (2) The enhanced CDD shall include, but not limited to —
- (a) obtaining additional information on the customer including occupation, volume of assets, information available through public databases, internet, and updating more regularly the identification data of the customer and BO ;
- (b) obtaining additional information on the intended nature of the business relationship ;
- (c) obtaining information on the source of funds and source of wealth of the customer ;
- (d) obtaining information on the reasons for intended or performed transactions;
- (e) obtaining the approval of senior management to commence or continue the business relationship ;
- (f) conducting enhanced monitoring of the business relationship, by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination ; and
- (g) requiring the first payment to be carried out through an account in the customer’s name with a bank subject to similar CDD standards.
- 18.**—(1) FIs may rely on the identification and verification steps that it had previously undertaken, unless it has doubts about the veracity of that information or where there is a material change in the circumstances or profile of the customer. Reliance on identification and verification already performed
- (2) The situations that may lead a FI to have doubts about the veracity of an information include where there is a —
- (a) suspicion of ML, TF or PF in relation to that customer ; or
- (b) material change in the way that the customer’s account is operated, which is not consistent with the customer’s business profile.
- 19.**—(1) A FI that is unable to comply with the CDD measures pursuant to these Regulations shall— Inability to undertake CDD
- (a) not be permitted to open the account, commence business relations or perform the transaction with the concerned persons ; and
- (b) be required to render a Suspicious Transaction Report (STR) to the Nigerian Financial Intelligence Unit (NFIU).

(2) An FI that has commenced the business relationship prior to the conduct of CDD shall terminate the business relationship and render STR to the NFIU.

(3) Where an FI suspects that transactions relate to money laundering, terrorism financing or proliferation financing, during the establishment or course of the customer relationship, or when conducting occasional transactions, it shall immediately, and without delay —

(a) obtain and verify the identity of the customer and the BO, whether permanent or occasional, irrespective of any exemption or any designated threshold that might otherwise apply ; and

(b) render an STR to the NFIU immediately.

(4) FIs and their employees shall maintain confidentiality in respect of any STR that may be filed with the NFIU and shall not do anything that may “tip off” any person or entity that is under suspicion of ML, TF or PF.

Reliance on third party

20.—(1) In addition to the provisions of regulation 27 of the CBN AML, CFT and CPF Regulations where a FI relies on other FIs and DNFBPs to conduct its CDD, it shall —

(a) immediately obtain the necessary information concerning the identification and verification of the customer and BO and the purpose and intended nature of the business relationship ;

(b) take adequate steps to satisfy itself that copies of identification data and other relevant documentation relating to the CDD requirements is going to be made available from the third party upon request without delay ;

(c) satisfy itself that the third party is regulated, supervised or monitored for, and has measures in place for compliance with, the CDD and record keeping requirements set out in these Regulations and the CBN AML, CFT and CPF Regulations ; and

(d) ensure that adequate KYC provisions are applied to the third party in order to obtain account information for competent authorities.

(2) Notwithstanding the conditions specified in sub-regulation (1) (a) to (d) of this regulation, the ultimate responsibility for customer identification and verification shall be with the FI relying on the third party.

Timing of verification.

21.—(1) FIs shall obtain and verify the identity of the customer, beneficial-owner and occasional customers before or during the course of establishing a business relationship or conducting transactions for them.

(2) FIs are permitted to complete the verification of the identity of the customer and BO following the establishment of the business based on criteria set out in regulation 22 of the CBN AML, CFT and CPF Regulations.

22.—(1) Where a FI suspects that a transaction relates to ML, TF or PF and it believes that performing the CDD process may tip-off the customer, it shall—

Tipping off

- (a) not pursue the CDD process ; and
- (b) file an STR to the NFIU, immediately.

(2) FIs shall ensure that their employees are aware of, and sensitive to, the issues referred to in subregulation (1) of this regulation when conducting CDD.

23. In addition to the provisions of regulation 35 of the CBN AML, CFT and CPF Regulations, FIs shall —

Record keeping

(a) keep all records obtained through CDD measures, account files and business correspondence, and results of any analysis undertaken, either in electronic or written form for at least five years following the termination or cessation of the business relationship or after the date of the occasional transaction ; and

(b) ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant, by undertaking reviews of existing records of customers as stipulated below or whenever the need arises,

- (i) for high risk customers, every 12months,
- (ii) for medium risk customers, every 18months, and
- (iii) for low risk customers, every 3years.

PART III — ADDITIONAL MEASURES

24. In addition to identification documentations listed in regulation 6 of these Regulations, additional measures on some specific customers and businesses as provided under this Part shall apply.

Additional measures for specific customers and businesses

25.—(1) In line with Memorandum 17 of the CBN Foreign Exchange Manual, FI shall satisfy itself that a customer is permanently resident outside Nigeria when establishing a banking relationship for external and non-resident non-Nigerian customers.

External and non-resident non-Nigerian accounts

(2) the following are eligible to open external accounts —

- (a) Embassies ;
- (b) High Commissions ;
- (c) Legations or consulates ;
- (d) career and established members of Embassies, High Commissions, and Legation or Consulates ; and
- (e) other international organisations recognized and accorded diplomatic status and their expatriate officials, such as African Union, United Nations or Commonwealth of Nations.

(3) FIs shall obtain the following documentation for external accounts —

(a) applicant's letter of request, showing official position or status and the probable duration of stay in Nigeria ;

(b) letter of introduction from the relevant Diplomatic Mission or International Organisation certifying the accredited status of the applicant ; and

(c) relevant pages of the applicant's international passport.

(4) the following are eligible to open non-resident accounts —

(a) overseas correspondence and examination bodies;

(b) foreign companies executing approved contracts in Nigeria; and

(c) foreign professional bodies.

(5) FIs shall obtain the following documentation for non-resident accounts —

(a) for overseas correspondence and examination bodies, letters of request from applicant, memorandum and articles of the overseas company, letter of accreditation from the Federal Ministry of Education, and Power of Attorney to the Agent in Nigeria ;

(b) for foreign companies executing approved contracts in Nigeria, contract document, letter of request from applicant, and Memorandum and Articles of Association of the company ; and

(c) for foreign professional bodies, letters of request from applicant, memorandum and articles of the overseas company, letter of accreditation from the Federal Ministry of Education, Power of Attorney to the Agent in Nigeria and letter of certification from a relevant body in Nigeria.

(6) FIs shall —

(a) obtain and verify identification directly from the customer's embassy or through a reputable FI in the applicant's home country or country of residence, provided that particular care shall be taken when relying on identification evidence obtained from other countries ;

(b) obtain and verify separate evidence of an applicant's permanent residential address which shall be notarized ; and

(c) obtain additional comfort by confirming the customer's identity and address from a reputable credit institution in the customer's home country, where necessary.

(7) All accounts of Non-resident stipulated in subregulations (2) and (4) of this regulation, shall, on completion of the contract or the applicant's business in Nigeria, be closed and the balance on the account, if any, transferred to the customer's account in country of residence, after proper documentation.

(8) In cases that are not classified under subregulations (2) and (4) of this regulation, FIs shall refer to the CBN for clarification.

(9) Where approvals are granted for individuals (including directors of legal persons) that are non-Nigerian and non-resident, the requirements of regulations 6 and 7 of these Regulations shall apply and the appropriate category of BVN as relates to non-resident individuals shall apply.

26.—(1) FIs shall obtain and verify applicant's name, date of birth and permanent residential address (in host country) directly through a reputable Credit Institution or FI in the applicant's country of residence or a correspondent bank, provided that particular care shall be taken when relying on identification evidence obtained from other countries.

Non-
resident
Nigerians

(2) FIs shall validate the source of funds by obtaining identification issued by employer, payslips or statements of accounts from a bank in the country of residence.

27.—(1) FIs shall, as part of CDD measures, obtain and verify the valid Resident Permit of resident non-Nigerians.

Resident
non-
Nigerians

(2) Where a foreign national has recently arrived in Nigeria, the residential address in the applicant's home country shall be notarized.

28.—(1) Transactions conducted through correspondent relationships shall be managed in accordance with a risk-based approach.

Correspondent
banking
relationship

(2) Due diligence procedures shall be established to ascertain whether or not the correspondent bank or the counter-party is itself regulated for prevention of ML, TF or PF, and where regulated, the correspondent respondent shall verify the identity of its customers in accordance with FATF standards.

(3) Where the correspondent bank or the counter-party is itself unregulated, additional due diligence shall be required to ascertain and assess the correspondent or respondent's internal policy for prevention of ML, TF or PF and KYC procedures.

(4) The volume and nature of transactions flowing through correspondent accounts with FIs, from high risk jurisdictions or those with inadequacies or material deficiencies shall be monitored against expected levels and destinations and any material variances shall be reported as STR to the NFIU.

(5) FIs shall maintain records and ensure that sufficient due diligence has been undertaken by the remitting bank on the underlying client and the origin of the funds in respect of the funds passed through their accounts.

(6) FIs shall guard against establishing correspondent relationships with high risk foreign banks such as shell banks or with correspondent banks that permit their accounts to be used by such banks.

(7) Staff dealing with correspondent banking accounts shall be trained to recognize higher risk circumstances and be prepared to challenge the correspondents over irregular activity whether isolated transactions or trend and to submit a suspicious transaction report to the NFIU.

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(8) FIs shall terminate an account with a correspondent bank that fails to provide satisfactory answers to questions including confirming the identity of customers involved in unusual or suspicious circumstances.

Trusts

29. Where the arrangement for a Foreign Trust or Foundation is opaque or information on the parties to the legal arrangements cannot be provided because it is incorporated in a jurisdiction (such as tax havens and off-shore financial centres) that makes it impractical to do so, the FI shall decline to open an account for the legal arrangement.

Blind trust

30.—(1) FIs shall obtain and understand the Trust Agreement in a Blind Trust such that the grantor, settlor or trustor and beneficiary are identified.

(2) Where the grantor or beneficiary is a PEP, the FI shall apply EDD measures.

(3) FIs shall understand the structure of a Blind Trust and determine whether it is revocable or irrevocable.

(4) Where the customer is a Revocable Blind Trust, the FI shall apply EDD measures to the customer.

(5) FIs shall apply EDD where the BOs of a customer is a Blind Trust and identify the ultimate BO.

Nominee directors and nominee shareholders

31.—(1) FIs shall require customers that are legal persons to disclose nominee shareholders and nominee directors, if any.

(2) FIs shall obtain and verify the identification of nominee directors and shareholders in a legal person or legal arrangement.

(3) FIs shall obtain information on the status of nominees and their nominator to company.

Refugees or asylum seekers

32.—(1) FIs shall use identification issued by the Nigerian Immigration Services or other recognizable government agency to render banking service to refugees or asylum seekers.

(2) FIs shall undertake additional monitoring procedures in respect of sub-regulation (1) of this regulation to ensure that the use of the account is consistent with the customer's circumstances.

Foreign students

33.—(1) FIs shall, as part of CDD measures —

(a) obtain and verify the valid Study Permit of prospective customers that are non-Nigerian students ;

(b) obtain and verify identification directly from the customer's embassy or through a reputable FI in the applicant's home country or country of residence, provided that particular care shall be taken when relying on identification evidence obtained from other countries ; and

(c) obtain and verify separate evidence of an applicant's permanent residential address in home country, which shall be notarized.

(2) All accounts of foreign students shall, on completion of the applicant's studies in Nigeria, be closed.

34. (1) For banking relationships for a minor, FIs shall obtain the birth certificate and passport photo of the minor. Minors

(2) FIs shall obtain and verify the identification and home address of the parent or guardian of a minor.

(3) For accounts opened through a school-related scheme, the school shall provide the date of birth and permanent address of the minor and complete the standard account opening documentation on behalf of the minor.

(4) FIs shall continuously monitor account of a minor to ensure that —

(a) it is not used for the purposes of ML or TF ;

(b) the transactions on the account are in line with the purpose for which the account was opened ; and

(c) transactions on the account does not exceed a limit pre-determined by the FI in line with its established risk assessment criteria.

35. FIs shall —

(a) in respect of a non-face-to-face customer, undertake additional measures or checks to supplement the documentary or electronic evidence to ensure that an applicant is who he/she claims to be ;

(b) apply the additional measures in paragraph (a) of this regulation, whether the applicant is resident in Nigeria or elsewhere, where the applicant is requesting a bank account or other product or service that offers money transmission or third party payments ;

(c) ensure that there is sufficient evidence either documentary or electronic in its procedures for identification and authentication of its customers, to confirm their address and personal identity and to undertake at least one additional check to guard against impersonation or fraud ;

(d) ensure that the extent of the identification evidence required in this regulation shall depend on the nature and characteristics of the product or service and the assessed risk, provided that care shall be taken to ensure that the same level of information is obtained for internet, postal or telephone customers ;

(e) undertake checks to ensure that, where reliance is placed on intermediaries to undertake the processing of applications on the customer's behalf, the intermediaries are regulated for the prevention of ML, TF or PF and that the relevant identification procedures are applied ;

(f) conduct regular monitoring of internet-based business or customers and where a significant proportion of the business is operated electronically,

Non-face-to-face customers identification

computerized monitoring systems or solutions that are designed to recognize unusual transactions and related patterns of transactions shall be put in place to recognize suspicious transactions ; and

(g) ensure that in all cases, evidence as to how identity has been verified shall be obtained and retained with the account opening records.

Introductions
from
authorized
financial
intermediaries

36.—(1) An introductory letter shall be issued by the introducing financial intermediary or person in respect of each applicant for business.

(2) Where an intermediary introduces a customer and then withdraws from the ensuing relationship, the underlying customer shall become the applicant for the business and shall be identified in line with the requirements for personal, corporate or business customers as appropriate.

(3) To ensure that product-providers meet their obligations, satisfactory identification evidence shall be obtained and retained for the necessary statutory period.

(4) Each introductory letter shall either be accompanied by certified copies of the identification evidence obtained in line with the usual practice of certification of identification documents or by sufficient details and reference numbers that permits the actual evidence obtained to be re-obtained at a later stage.

Foreign
intermediaries

37. Where business is introduced or received from a financial intermediary regulated for AML and CFT, who is outside Nigeria, the reliance that shall be placed on that intermediary to undertake the verification of identity-check shall be assessed by the Compliance Officer or some other competent persons within the FI, on a case-by-case basis based on the knowledge of the intermediary.

Corporate
group
introduction

38.—(1) Where a customer is introduced by one part of a financial sector group to another, the customer's identity shall be re-verified, and the records shall not be duplicated except—

(a) the identity of the customer has not been verified by the introducing parent company, branch, subsidiary or associate in line with the money laundering requirements of equivalent standards and taking account of any specific requirements such as separate address verification ;

(b) no exemptions or concessions have been applied in the original verification procedures that may not be available to the new relationship ;

(c) a group introduction letter is obtained and placed with the customer's account opening records ; and

(d) in respect of group introducers from outside Nigeria, in which case arrangements shall be put in place to ensure that identity is verified in accordance with requirements and that the underlying records of identity in respect of the introduced customers are retained for the required period.

(2) Where an FI has day-to-day access to all the group's KYC information and records, there is no need to identify an introduced customer or obtain a group introduction letter where the identity of that customer has been previously verified.

(3) Where the identity of a customer has not been previously verified, then any missing identification evidence shall be obtained and a risk-based approach taken on the extent of KYC information that is available on whether or not additional information shall be obtained.

(4) Before relying on group introduction, FIs shall ensure that there are no secrecy or data protection legislation in host or home countries of any of the financial groups that will restrict free access to the records.

(5) Where the restrictions referred to in sub-regulation (4) of this regulation applies, copies of the underlying records of identity shall, wherever possible, be sought and retained.

(6) Where identification records are held outside Nigeria, it shall be the responsibility of the FI to ensure that the records available meet the requirements of these Regulations and the CBN AML, CFT and CPF Regulations.

39.—(1) Where a FI acquires a business and accounts of another FI, it may not be necessary for the identity of the existing customers to be re-identified, provided that all the underlying customers' records are acquired with the business, but it shall carry out due diligence enquiries to confirm that the acquired institution had conformed with the requirements of the provisions of these Regulations and CBN AML, CFT and CPF Regulations.

Acquisition of a financial institution and business

(2) Verification of identity shall be undertaken for all the transferred customers who were not verified by the transferor in line with the requirements for existing customers that open new accounts, where the—

(a) money laundering procedures previously undertaken have not been in accordance with the requirements of these Regulations and CBN AML, CFT and CPF Regulations ; or

(b) customer records are not available to the acquiring financial institution.

40.—(1) Where a customer wishes to open a Domiciliary Account or make a wholesale deposit by cash or inter-bank transfer, a FI shall obtain identification evidence in accordance with the requirements for individuals, companies or professional intermediaries operating on behalf of third parties as appropriate.

Domiciliary account

(2) Where the funds to a domiciliary account are by inter-bank transfer, FI shall satisfy itself that the transferring institution is regulated for ML, TF or PF prevention in its country of origin.

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Safe custody
and safety
deposit
boxes

41.—(1) FIs shall take precautions in relation to requests to hold boxes, parcels and envelopes in a safe custody.

(2) Where such facilities are made available, the identification procedures set out in these Regulations shall be followed, depending on the type of individual involved or risks associated with the business relationship.

(3) FIs shall not allow items with unidentified contents to be deposited in safe deposit box and the contents shall be declared and documented at the point of entering the contract.

(4) FIs shall maintain registers for on-going monitoring of the activities of persons who use safe custody or safe deposit box services.

(5) FIs shall also conduct due diligence on owners of safe deposit boxes.

Retirement
benefit
programme

42. Where an occupational pension programme, employee benefit trust or share option plan is an applicant for an account, the trustee and any other person who has control over the relationship such as the administrator, programme manager, and account signatories shall be considered as principals and the financial institution shall take steps to verify their identities.

Non-Profit
Organizations
(NPOs)

43.—(1) In case of account to be opened for NPOs such as charities, clubs and societies, FIs shall take reasonable steps to identify and verify the identity of the institution, members of the governing body or committee, president, board members, treasurer, and all signatories.

(2) In all cases, independent verification shall be obtained that the persons involved are true representatives of the institution and independent confirmation shall also be obtained of the purpose of the institution.

Professional
intermediary

44.—(1) Where a professional intermediary opens a client account on behalf of a single client, that client shall be identified.

(2) Where professional intermediaries open “pooled” accounts on behalf of a number of entities, BOs of the account held by the intermediary shall be identified

(3) Where funds held by the intermediary are not co-mingled but there are “sub-accounts” which shall be attributable to each BO, all BOs of the account held by the intermediary shall be identified.

(4) Where the funds are co-mingled, the FI shall look through to the beneficial owners and take steps to identify —

(a) the fund itself ;

(b) its directors or any controlling board, where it is a company ;

(c) its trustee, where it is a unit trust ;

(d) its managing (general) partner, where it is a limited partnership ;

(e) account signatories ; and

(f) any other person who has control over the relationship such as fund administrator or manager.

(5) Where other investment vehicles are involved —

(a) the same steps specified in regulation 28 of these Regulations shall be taken, where it is appropriate to do so ; and

(b) all reasonable steps shall be taken to verify the identity of the BOs of the funds and of those who have control over the funds.

(6) Intermediaries shall be treated as individual customers of the FI and the standing of the intermediary shall be separately verified by obtaining the appropriate information itemized in regulation 28 of these Regulations.

45. In addition to requirements stipulated in respective guidelines for different FIs' operation in respect to agency relationships and CDD measures in these Regulations, FIs shall —

Agency
relationship

(a) establish efficient and thorough Agent Due Diligence procedures to mitigate risks ;

(b) define initial agent engagement, conduct regular monitoring and supervisory checks, trigger points and corrective measures ; and

(c) publish an updated list of all their agents on their websites and annual reports.

PART IV — MISCELLANEOUS PROVISIONS

46. The administrative sanctions and penalties for non-compliance with these Regulations shall be as specified in the Banks and Other Financial Institutions Act (BOFIA), 2020 and Schedule to these Regulations.

Sanctions
for non-
compliance

47. The Governor of the Central Bank of Nigeria may, as considered appropriate, amend or revoke the provisions of these Regulations which amendment or revocation shall be published in the Gazette.

Amendments
or revocation
of these
regulations

48. In these Regulations —

“*Account*” means to bank accounts, wallets and similar services offered by FIs ;

Interpretation

“*Agent*” means an entity that is engaged by a financial institution to provide specific financial services on its behalf ;

“*Bank Verification Number (BVN)*” means the biometric identification system which gives a unique identity across the banking industry to each customer of Nigerian banks;

“*Beneficial owner*” includes a natural person who ultimately owns or controls a customer or a person on whose behalf a transaction is being conducted and the persons who exercise ultimate control over a legal person or arrangement ;

“*Blind Trust*” means a trust set up by the grantor to transfer complete control of their assets and investments to an independent third-party termed the trustee ;

“*Business Relationship*” means any arrangement between a Financial Institution and an applicant for business, the purpose of which is to facilitate the carrying out of transactions between the parties on a “frequent, habitual or regular” basis and where the monetary value of dealings in the course of the arrangement is not known or capable of being ascertained at the outset ;

“*CAC*” means Corporate Affairs Commission ;

“*Domestic transfer*” means any wire transfer where the originator and beneficiary institutions are both located in Nigeria, and this term therefore, refers to any chain of wire transfers that takes place entirely within Nigeria’s borders, even though the system used to effect the wire transfer may be located in another jurisdiction ;

“*FATF*” means Financial Action Task Force ;

“*FATF Recommendations*” means AML, CFT and CPF Recommendations issued by the Financial Action Task Force ;

“*Financial Institutions*” means banks and other financial institutions as defined in BOFIA ;

“*Financing of terrorism*” includes all acts so defined under the TPPA and TPP Regulations ;

“*Funds*” include assets of every kind, tangible or intangible, movable or immovable however acquired, legal documents or instruments in any form, electronic or digital evidencing title or interest in such assets, bank credits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts and letters of credit ;

“*Legal arrangement*” means express trusts or other similar legal arrangements ;

“*Legal persons*” means bodies corporate, foundations, partnerships, or associations, or any similar bodies or entities that can establish a permanent customer relationship with a Financial Institution or otherwise own property ;

“*Money Laundering*” means the—

(i) conversion or transfer of property (i.e. money, goods, commodities, etc.) knowing that such property is derived from a criminal offence, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such offences,

(ii) concealment or disguising of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property knowing that such property is derived from a criminal offence, or

(iii) acquisition, possession or use of property, knowing at the time of receipt that such property was derived from a criminal or from an act of participation in such offence ;

“*National Identification Number (NIN)*” means a unique number issued by the National Identity Management Commission (NIMC) ;

“*Nominee*” means an individual or legal person instructed by another individual or legal person (“the nominator”) to act on their behalf in a certain capacity regarding a legal person ;

“*Nominee Director*” (also known as a “resident director” or “corporate director” (if the director is a legal person) means an individual or legal entity that exercises the functions of the director in the company on behalf of and subject to the instructions of the nominator ;

“*Nominee Shareholder*” means an individual or legal person who exercises the associated voting rights according to the instructions of the nominator and receives dividends on behalf of the nominator ;

“*Non-profit or non-governmental Organization*” means a legal entity or organization that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes, or for the carrying out of other types of good works ;

“*One-off transaction*” means any transaction carried out other than in the course of an established business relationship which is important to determine whether an applicant for business is undertaking a one-off transaction or whether the transaction is or will be a part of a business relationship as this can affect the identification requirements ;

“*Originator*” means an account holder or where there is no account, the natural or legal person that places the order with the Financial Institution to perform a wire transfer ;

“*Proliferation Financing (PF)*” means the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling, or use of nuclear, chemical, or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations;

“*Public Legal entity*” includes arms and tiers of Government, Ministries Departments and Agencies (MDAs) and any statutory Office or sole corporate designated by law to carry out a function of or on behalf of Government or any of its agencies ;

“*Risk*” means the risk of money laundering or terrorist financing ;

“*Settlers*” includes persons or companies who transfer ownership of their assets to trustees by means of a trust deed and where the trustees have some discretion as to the investment and distribution of the trust’s assets, the deed may be accompanied by a non-legally binding letter setting out what the settlor wishes to be done with the assets ;

“*Shell bank*” means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial service group that is subject to effective consolidated supervision ;

“*Taxpayer Identification Number (TIN)*” means a unique number allocated and issued to identify a person (individual or non-individual) as a duly registered taxpayer in Nigeria ;

“*Terrorist*” means any natural person who—

(a) directly or indirectly, unlawfully and willfully —

(i) commits, or attempts to commit, an act of terrorism by any means,

(ii) participates as an accomplice in an act of terrorism,

(iii) organises or directs others to commit an act of terrorism ; or

(b) contributes to the commission of an act of terrorism where the contribution is made intentionally and with the aim of furthering the act of terrorism or with the knowledge of the intention to commit an act of terrorism ;

“*Terrorist or Terrorism Financier*” means a person or entity, who makes funds, assets, or other material support available to terrorists and terrorist organisations, for the financing of terrorist activities or terrorism;

“*Trustees*” include paid professionals or companies or unpaid persons who hold the assets in a trust fund separate from their own assets, they invest and dispose of them in accordance with the settlor’s trust deed, taking account of any letter of wishes, and there may also be a protector who may have power to veto the trustees’ proposals or remove them, or a custodian trustee, who holds the assets to the order of the managing trustees ;

“*Unique identifier*” means any unique combination of letters, numbers or symbols that refers to a specific originator ; and

“*Wire transfer*” means any transaction carried out on behalf of an originator both natural and legal person, through a Financial Institution by electronic means, with a view to making an amount of money available to a beneficiary person at another financial institution ; where the originator and the beneficiary may be the same person.

Citation

49. These Regulations may be cited as Central Bank of Nigeria (Customer Due Diligence) Regulations, 2023.

SCHEDULE

<i>S/N</i>	<i>Required Action</i>	<i>Infraction</i>	<i>Deposit Money Banks (DMBS)/ PSBs</i>	<i>Other Financial Institutions (OFIS)</i>
1.	CDD measures — Regulation 5	1. Failure to establish internal process and procedures for conducting CDD measures for all customers.	<p>A minimum penalty for DMBs:</p> <p>(a) A minimum of ₦750,000 on the ECO.</p> <p>(b) A minimum penalty of ₦500,000 on the CCO.</p> <p>(c) ₦500,000 on other culpable employees</p> <p>A minimum penalty of ₦20million on the DMB.</p> <p>A minimum penalty for PSBs:</p> <p>(a) A minimum penalty of ₦250,000 on the CCO.</p> <p>(b) ₦200,000 on other culpable employees.</p> <p>A minimum penalty of ₦10million on the PSB thereafter (where the contravention continues).</p>	<p>For OFIs:</p> <p>A minimum penalty on the OFI as follows :</p> <p>(a) ₦1 million - BDCs</p> <p>(b) ₦500,000 - MFBs</p> <p>(c) ₦1million - FCs</p> <p>(d) ₦1million - PMBs</p> <p>(e) ₦5million - DFIs.</p> <p>For PSP :</p> <p>A minimum penalty on the PSP as follows :</p> <p>(a) ₦500,000 - MMO</p> <p>(b) ₦500,000 - SP</p> <p>(c) ₦500,000 - PSSP</p> <p>(d) ₦500,000 - SA</p> <p>(e) ₦300,000 - PTSP</p>
2.	CDD measures – Regulation 5	2. Failure to undertake CDD measures on customers.	<p>A minimum penalty for DMBs:</p> <p>(a) A minimum of ₦750,000 on the ECO.</p> <p>(b) A minimum penalty of ₦500,000 on the CCO.</p> <p>(c) ₦500,000 on other culpable employees.</p> <p>A minimum penalty of ₦200,000 per customer without CDD.</p> <p>A minimum penalty for PSBs:</p> <p>(a) A minimum penalty of ₦250,000 on the CCO.</p> <p>(b) ₦200,000 on other culpable employees</p> <p>A minimum penalty of ₦100,000 per customer.</p>	<p>For OFIs:</p> <p>A minimum penalty on the CCO as follows :</p> <p>(a) N100,000 –BDCs</p> <p>(b) N100,000 – MFBs</p> <p>(c) N200,000 - FCs</p> <p>(d) N500,000 - PMBs</p> <p>(e) N500,000 - DFIs.</p> <p>A minimum penalty of ₦50,000 per customer without CDD.</p> <p>For PSP :</p> <p>A minimum penalty any or all culpable officers such as the MD and CEO as follows :</p> <p>(a) ₦500,000 –MMO</p> <p>(b) ₦100,000 – SP</p> <p>(c) ₦500,000 –PSSP</p> <p>(d) ₦500,000 –SA</p>

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				<p>A minimum penalty on the PSP as follows :</p> <p>(a) ₦300,000 per wallet holder –MMO</p> <p>(b) ₦300,000 per customer –PSSP</p> <p>(c) ₦300,000 per Agent and Customer – Super Agent (SA)</p> <p>For IMTOs:</p> <p>A minimum penalty of ₦200,000 per transaction conducted without CDD.</p>
3.	<p>Identification and verification of signatories and Directors in legal persons and legal arrangements-Regulation 8</p>	<p>Failure to identify and verify the identity of the beneficial owners, Directors, signatories and those with controlling interest in legal persons or legal arrangements,</p>	<p>For DMBs :</p> <p>(a) A minimum penalty of ₦1,250,000 on the ECO</p> <p>(b) A minimum penalty of ₦1million on the CCO.</p> <p>(c) ₦500,000 on other culpable employees.</p> <p>A minimum penalty of ₦500,000 per customer of DMB not identified or verified.</p> <p>For PSBs :</p> <p>(a) A minimum penalty of ₦500,000 on the CCO.</p> <p>(b) ₦250,000 on other culpable employees.</p> <p>A minimum penalty of ₦200,000 per customer.</p>	<p>For OFIs :</p> <p>A minimum penalty on the CCO as follows :</p> <p>(a) ₦100,000 – BDCs</p> <p>(b) ₦100,000 – MFBs</p> <p>(c) ₦200,000 - FCs</p> <p>(d) ₦500,000 - PMBs</p> <p>(e) ₦ 500,000 - DFIs).</p> <p>A minimum penalty (per customer of the OFI not identified or verified) as follows :</p> <p>(a) ₦50,000 – BDC</p> <p>(b) ₦50,000 – Tier 1 Unit MFB</p> <p>(c) ₦100,000 – Tier 2 Unit MFB</p> <p>(d) ₦200,000 – State MFB</p> <p>(e) ₦300,000 - National MFB</p> <p>(f) ₦200,000 – State PMB</p> <p>(g) ₦300,000 - National PMB</p> <p>(h) ₦200,000 - FC)</p> <p>(i) ₦300,000- RDFIs)</p> <p>(j) ₦500,000 - WDFIs</p>

				<p>For PSPs: A minimum penalty on the CCO as follows: (a) N300,000– MMO (b) N100,000 – SP (c) N300,000 – PSSP (d) N300,000 – SA (e) N100,000 on other culpable employees A minimum penalty on the PSP as follows : (a) N100,000 per wallet holder – MMO (b) N50,000 per customer – SP (c) N100,000 per customer – PSSP (d) N50,000 per wallet and agent – SA</p>
4.	Ongoing due diligence – Regulation 12.	Failure to conduct ongoing due diligence on the business relationship and scrutinize transactions undertaken throughout the course of the relationship.	<p>A minimum penalty as follows :</p> <p>For DMBs : (a) N1,500,000 on the ECO. (b) N1,000,000 on the CCO (c) N500,000 on other culpable employees A minimum penalty of N100,000 per customer of the DMB.</p> <p>For PSBs : (a) N500,000 on the CCO (b) N250,000 on other culpable employees A minimum penalty of N50,000 per customer of the PSB.</p>	<p>For OFIs: A minimum penalty on the CCO as follows : (a) N200,000 – BDCs (b) N200,000 – MFBS (c) N100,000 - FCs (d) N500,000 - PMBs (e) N 750,000 - DFIs. (f) N200,000 on other culpable employees. A minimum penalty of N50,000 per customer.</p> <p>For PSPs A minimum penalty on the CCO as follows : (a) N500,000 –MMO (b) N300,000 – SP (c) N500,000 – PSSP (d) N500,000- SA (e) N300,000 on other culpable employees. A minimum penalty on the PSP as follows : (a) N1,000,000 – MMO</p>

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				<p>(b) ₦500,000 – SP (c) ₦1,000,000 – PSSP (d) ₦1,000,000 – SA And a minimum penalty of ₦100,000 per wallet, merchant or customer. For IMTOs : ₦1,000,000 on the IMTO.</p>
5.	Risks based approach to CDD – and tiered KYC Regulations 15 and 16	<p>1. Failure to implement risk based approach to CDD 2. Failure to obtain CBN approval before implementing simplified CDD (other than TKYC) measures. 3. Failure to comply with Tiered KYC measures as stipulated in the CBNAML, CFT and CPF Regulations 2022.</p>	<p>A minimum penalty as follows : (a) ₦1,250,000 on the ECO. (b) ₦1,000,000 on the CCO. (c) ₦15million on the DMB. A minimum penalty of ₦500,000 per customer (where applicable). For PSBs : (a) ₦500,000 on the CCOs. (b) ₦10million on the PSB. A minimum penalty of ₦200,000 per customer (where applicable).</p>	<p>For OFIs : A minimum penalty on the CCO as follows: (a) ₦100,000 – BDCs (b) ₦100,000 – MFBs (c) ₦200,000 - FCs (d) ₦500,000 - PMBs (e) ₦1 million DFIs) A minimum penalty on the OFI as follows : (a) ₦1 million – BDCs (b) ₦500,000 – Tier 1 Unit MFBs (c) ₦300,000 – Tier 2 Unit MFBs (d) ₦1 million – State MFBs (e) ₦2 million - National MFBs (f) ₦2million – State PMBs (g) ₦5 million - National PMBs (h) ₦1 million - FCs (i) ₦5 million - RDFIs. (j) ₦10 million – WDFIs A minimum penalty of ₦100,000 per customer (where applicable). For PSP : A minimum penalty on the CCO as follows: (a) ₦500,000 – MMOs (b) ₦100,000 – SP</p>

		<p>4. Failure to conduct initial customer risk assessment for each customer.</p>	<p>A minimum penalty as follows :</p> <p>For DMBs :</p> <p>(a) ₦1,500,000 on the ECO.</p> <p>(b) ₦1,000,000 on the CCO</p> <p>(c) ₦500,000 on other culpable employees.</p> <p>A minimum penalty of ₦100,000 per customer of the DMB.</p> <p>For PSBs :</p> <p>(a) ₦500,000 on the CCO</p> <p>(b) ₦250,000 on other culpable employees.</p> <p>A minimum penalty of ₦50,000 per customer of the PSB.</p>	<p>(c) ₦500,000 – PSSPs</p> <p>(d) ₦500,000 – SA</p> <p>A minimum penalty on the PSP as follows :</p> <p>(a) ₦2,000,000 – MMOs</p> <p>(a) ₦500,000 – SP</p> <p>(b) ₦2,000,000 – PSSPs</p> <p>(c) ₦500,000 – SA</p> <p>A minimum penalty of ₦200,000 per customer.</p> <p>For IMTOs :</p> <p>₦500,000 on the IMTO</p> <p>For OFIs :</p> <p>A minimum penalty on the CCO as follows :</p> <p>(a) ₦200,000 – BDCs</p> <p>(b) ₦200,000 – MFBs</p> <p>(c) ₦100,000 - FCs</p> <p>(d) ₦500,000 - PMBs</p> <p>(e) ₦ 750,000 - DFIs.</p> <p>(f) ₦200,000 on other culpable employees</p> <p>A minimum penalty of ₦50,000 per customer.</p> <p>For PSPs</p> <p>A minimum penalty on the CCO as follows:</p> <p>(a) ₦500,000 –MMO</p> <p>(b) ₦300,000 – SP</p> <p>(c) ₦500,000 –PSSP</p> <p>(d) ₦500,000- SA</p> <p>(e) ₦300,000 on other culpable employees.</p> <p>A minimum penalty on the PSP as follows :</p> <p>(a) ₦1,000,000 – MMO</p> <p>(b) ₦500,000 – SP</p> <p>(c) ₦1,000,000 –PSSP</p> <p>(d) ₦1,000,000 – SA</p>
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				<p>And a minimum penalty of ₦100,000 per wallet, merchant or customer.</p> <p>For IMTOs : ₦1,000,000 on the IMTO</p>
6.	Enhanced CDD – Regulation 17	Failure to perform enhanced CDD for customers, business relationship or transactions with higher ML, TF and PF risks.	<p>A minimum penalty as follows:</p> <p>For DMBs :</p> <p>(a) ₦1,500,000 on the ECO.</p> <p>(b) ₦1,000,000 on the CCO.</p> <p>(c) A minimum penalty of ₦500,000 per customer concerned.</p> <p>For PSBs :</p> <p>(a) ₦500,000 on the CCO</p> <p>(b) A minimum penalty of ₦200,000 per customer concerned.</p>	<p>For OFIs : A minimum penalty on the CCO as follows :</p> <p>(a) ₦200,000 –BDCs</p> <p>(b) ₦200,000 –MFBs</p> <p>(c) ₦100,000 - FCs</p> <p>(d) ₦500,000 - PMBs</p> <p>(e) ₦ 750,000 - DFIs.</p> <p>A minimum penalty of ₦100,000 on OFIs per customer.</p> <p>For PSPs : A minimum penalty on the CCO as follows:</p> <p>(a) ₦500,000 –MMO</p> <p>(b) ₦300,000 – SP</p> <p>(c) ₦500,000 –PSSP</p> <p>(d) ₦500,000 - SA</p> <p>A minimum penalty on the PSP as follows:</p> <p>(a) ₦300,000 per wallet –MMO</p> <p>(b) ₦100,000 per customer – SP</p> <p>(c) ₦300,000 per customer –PSSP</p> <p>(d) ₦300,000 per agent and customer –SA</p> <p>For IMTOs : A minimum penalty of ₦100,000 per customer.</p>

7.	CDD with respect to agents Regulation 45	Failure to conduct Agent due diligence and monitoring.	A minimum penalty as follows : For DMBs: (a) ₦1,000,000 each on the MD and ECO. (b) ₦750,000 on the CCO. (c) ₦500,000 per agent.	For OFIs : ₦200,000 per agent. For PSPs : A minimum penalty per agent as follows : (a) ₦500,000 – MMO (b) ₦100,000 – SP (c) ₦500,000 – PSSP (d) ₦500,000 – SA For IMTOs : Minimum penalty of ₦500,000 per agent of the IMTO.
8.	Keep records and ensure that records are up to date Regulation 23	Failure to keep records and ensure that records are up to date	For DMBs : A minimum penalty of ₦10million on the DMB. For PSBs : A minimum penalty of ₦5million on the PSB.	For OFIs : A minimum penalty on the OFI as follows : (a) ₦1 million – BDC (b) ₦300,000 – Tier 1 Unit MFB (c) ₦200,000 – Tier 2 Unit MFB (d) ₦1 million – State MFB (e) ₦2 million - National MFB (f) ₦1million – State PMB (g) ₦2 million - National PMB (h) ₦500,000 million - FC (i) ₦2 million - RDFIs. (j) ₦3 million - WDFIs For PSPs : A minimum penalty on the CCOs as follows : (a) ₦300,000 – MMO (b) ₦100,000 – SP (c) ₦300,000 – PSSP (d) ₦300,000 – SA A minimum penalty on the PSP as follows : (a) ₦1,000,000 – MMO

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				<p>(b) ₱500,000 – SP (c) ₱1,000,000– PSSP (d) ₱500,000 – SA</p> <p>For IMTOs): N500,000 on the IMTO.</p>
9.	Timing of verification – Regulation 21	Failure to complete the verification of the identity of the customer and beneficial owner within 48 hours based on criteria set out in Regulation 22 of the CBNAML, CFT and CPF Regulations.	<p>A minimum penalty as follows :</p> <p>For DMBs: (a) ₱500,000 on the ECO. (b) ₱300,000 on the CCO. (c) ₱300,000 on other culpable employees.</p> <p>A minimum penalty of ₱500,000 per customer on the DMB.</p> <p>For PSBs : (a) ₱300,000 on the CCO (b) ₱200,000 each on other culpable employees.</p> <p>A minimum penalty of ₱200,000 per customer of the PSB.</p>	<p>For OFIs: A minimum penalty on the CCO as follows: (a) ₱100,000 –BDCs (b) ₱100,000 –MFBs (c) ₱100,000 - FCs (d) ₱100,000 - PMBs (e) ₱100,000 - DFIs.</p> <p>A minimum penalty of ₱100,000 per customer of OFIs</p> <p>For PSPs : A minimum penalty on the CCO as follows : (a) ₱300,000 –MMO (b) ₱100,000 – SP (c) ₱300,000 –PSSP (d) ₱300,000- SA</p> <p>A minimum penalty on the PSP as follows : (a) ₱300,000 per wallet holder –MMO (b) ₱100,000 per wallet – SP (c) ₱300,000 per customer –PSSP (d) ₱300,000 per agent and customer –SA</p> <p>For IMTOs : A minimum penalty of N100,000 per customer.</p>

10.	Identification for specific customers and businesses – Regulation 25 – 44	Failure to conduct additional CDD for specific customers and businesses as contain in Part III	<p>A minimum penalty as follows :</p> <p>For DMBs :</p> <p>(a) ₦1,500,000 on the MD and ECO.</p> <p>(b) ₦1,000,000 on the CCO.</p> <p>(c) ₦500,000 on other culpable employees</p> <p>(d) ₦100,000 per customer.</p> <p>For PSBs :</p> <p>(a) ₦500,000 on the Chief Compliance Officer.</p> <p>(b) ₦250,000 on other culpable employees</p> <p>A minimum penalty of ₦50,000 per customer.</p>	<p>For OFIs :</p> <p>A minimum penalty on the MD and CCO as follows :</p> <p>(a) N300,000 – MFBs</p> <p>(b) N200,000 - FCs</p> <p>(c) ₦500,000 - PMBs</p> <p>(d) ₦500,000 DFIs.</p> <p>(e) ₦250,000 on other culpable employees</p> <p>For PSPs :</p> <p>A minimum penalty on the MD and CCO as follows :</p> <p>(a) ₦500,000 – MMO</p> <p>(b) ₦100,000 – SP</p> <p>(c) ₦500,000 – PSSP</p> <p>(d) ₦500,000 – SA</p> <p>(e) ₦250,000 on other culpable employees.</p>
11.	Sanction for contraventions not expressly provided.	Any FI who contravenes any provision of these Regulations for which a sanction is not expressly provided for, commits an infraction	<p>A minimum penalty as follows :</p> <p>For DMBs :</p> <p>(a) ₦1,500,000 each on the MD and ECO.</p> <p>(b) ₦1,000,000 each on the CCO.</p> <p>(c) ₦2 million on the DMB.</p> <p>For PSBs:</p> <p>(a) ₦500,000 on the MD and CCO.</p> <p>(b) ₦250,000 on other culpable employees</p> <p>(c) N500,000 on the PSB.</p> <p>A minimum penalty of ₦50,000 on PSB per customer.</p>	<p>For OFIs :</p> <p>A minimum penalty on the MD and CCO as follows :</p> <p>(a) ₦300,000 – MFBs</p> <p>(b) ₦200,000 - FCs</p> <p>(c) ₦500,000 - PMBs</p> <p>(d) ₦ 1 million DFIs.</p> <p>A minimum penalty per transaction on the OFI as follows :</p> <p>(a) N300,000 – Tier 1 Unit MFB</p> <p>(b) ₦300,000 – Tier 2 Unit MFB</p> <p>(c) ₦500,000 – MFB</p> <p>(d) N500,000 - MFB</p> <p>(e) N500,000 – State PMB</p> <p>(f) ₦500,000 - National PMB</p> <p>(g) ₦500,000 - FC</p> <p>(h) ₦500,000 - RDFIs.</p> <p>(i) ₦1 million - WDFIs</p>

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				<p>For PSPs : A minimum penalty on the MD and CCO as follows : (a) ₦500,000 – MMO (b) ₦200,000 – SP (c) ₦500,000 – PSSP (d) ₦500,000 – SA</p> <p>A minimum penalty per transaction on the PSP as follows: (a) ₦500,000 – MMO (b) ₦200,000 – SP (c) ₦500,000 – PSSP (d) ₦500,000 – SA</p> <p>For IMTOs : ₦500,000 on the IMTO</p>
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TABLE OF ABBREVIATIONS

AML	—	Anti-Money Laundering
BDC	—	Bureau De Change
BO	—	Beneficial Owner
CAC	—	Corporate Affairs Commission
CBN	—	Central Bank of Nigeria
CCO	—	Chief Compliance Officer
CDD	—	Customer Due Diligence
CFT	—	Combating the Financing of Terrorism
CPF	—	Countering Proliferation Financing
CRO	—	Chief Risk Officer
DFIs	—	Development Finance Institutions
DNFBPs	—	Designated Non-Financial Business and Professions
DMBs	—	Deposit Money Banks
ECO	—	Executive Compliance Officer
EDD	—	Enhanced Due Diligence
FC	—	Finance Companies
FIs	—	Financial Institutions
IMTOs	—	International Money Transfer Operators
KYC	—	Know-Your-Customer
MD	—	Managing Director
MFBs	—	Micro Finance Banks
ML	—	Money Laundering
MMOs	—	Mobile Money Operators
MVTS	—	Money and Value Transfer Services
NFIU	—	Nigerian Financial Intelligence Unit
NIMC	—	National Identity Management Commission
NIN	—	National Identification Number
PEP	—	Politically Exposed Person
PF	—	Proliferation Financing
PMBs	—	Primary Mortgage Banks
PSBs	—	Payment Service Banks
PSSBs	—	Payment Solution Service Providers
RDFIs	—	Retail Development Finance Institutions
RMs	—	Relationship Manager
ROs	—	Religious Organisations
SAs	—	Super Agent s
SPs	—	Switching and Processing
SPVs	—	Special Purpose Vehicles
STR	—	Suspicious Transaction Report
TF	—	Terrorism Financing
UNSCRs	—	United Nations Security Council Resolutions
WDFIs	—	Wholesale Development Finance Institutions

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MADE at Abuja this 31st day of May, 2023.

GODWIN I. EMEFIELE, CON
Governor, Central Bank of Nigeria

EXPLANATORY NOTE

*(This note does not form part of these Regulations
but is intended to explain its purpose)*

These Regulations seek to ensure that Financial Institutions comply with customer due diligence measures as required by the Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing of Weapons of Mass Destruction legislations and regulations.